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The AGRICULTURAL OUTLOOK DIGEST

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The rise in the value of farm real estate since the outbreak of war in Korea has lost most of its steam. In the first 12 months after the war in Korea began, prices of farm property climbed 17%; in the second year, only 5%.

Average values per acre for the U. S. rose 1 percent from March 1 to July 1 of this year, half as much as in the preceding 4 months, a fifth as much as in March-July of 1951.

The number of farms sold continues to decline as it has most of the time since 1946-47. During the year ending in March, 1952, voluntary sales amounted to only 37.5 farms per 1,000, 5% less than in the previous year and a third less than the postwar peak. Very few farms are changing hands through foreclosures or tax sales. In several important farming areas interest on the part of buyers has picked up in the last few months, but relatively little land is for sale.

The general stability of prices over the last several months is probably the main factor that has checked the rise in land prices. The index of prices received by farmers in August was within about 2% of both the low and the high points of this year. Prices paid by farmers have been almost steady the past 8 months. Wholesale prices of all commodities also have been stable this year.

ECONOMIC ACTIVITY Business was at a brisk pace as the fall season began. Steel production bounced back rapidly after the strike was settled and the industry was operating near 100% of rated capacity in early September. Automobile assemblies are expanding and output of nondurable goods has increased.

Employment in nonfarm occupations in August reached the highest level on record. Income also rose. Consumer demand continues strong and retail trade has increased since July.

LIVESTOCK AND MEAT The annual fall increase in marketings of meat animals is under way. Production of meat through winter probably will be above a year earlier.

Farmers will sell considerably more cattle and calves this fall than last; and a higher proportion are expected to be marketed off grass. Prices of fed cattle have shown more strength than cows and lower grade steers and heifers. This difference is likely to widen.

Because of the reduction in last spring's pig crop, hog slaughter this fall will be below a year ago. However, demand has weakened. Prices are not likely to rise much above last year.

Farmers have been holding back fewer sheep and lambs for breeding herds or for feeding and slaughter has been well above a year earlier. If this continues the upward trend in the number of sheep and lambs on farms may be halted.

DAIRY PRODUCTS Further increases in prices of dairy products is in prospect for the next few months. Demand is strong. Production of milk and supplies of dairy products are lower than a year ago.

Consumption of fluid milk continues above a year earlier, even though retail prices are at record levels in many cities. With milk output down, the amount available for manufacturing continues below last year. Among the manufactured dairy commodities, output of all except ice cream, dry skim and a few minor products has been below a year ago in recent months.

POULTRY AND EGGS Egg production this month probably is at the lowest level of the year, as it has been in September of most recent years. Through the fall, output probably will be above a year earlier. This winter, though, egg production is likely to fall below a year earlier because relatively few replacement pullets will be available from the late spring hatch.

FEED The 1952-53 supply of feed concentrates, according to September 1 prospects, will be about 4% smaller than in 1951-52 and about equal to the 1946-50 average. Per grain consuming animal unit, supplies will be a little smaller than in 1951-52 and about 10% smaller than in the 3 preceding years.

WHEAT Cash prices of most types of wheat were close to the effective loan level in mid-September. Movement into storage under the price support program has been heavy so far this season.

FRUIT Although apple prices are likely to decline about seasonally in early fall, they probably will stay well above a year ago. The crop is smaller than last year and demand from processors will be stronger because of the sharp reduction in stocks of canned apples and applesauce. Prices of most other deciduous fruits harvested in early fall are expected to be about the same or lower than a year earlier.

As new crop citrus from Florida reaches the market in volume in October, prices of oranges and grapefruit are likely to decline.

COTTON The U. S. supply of cotton for the 1952-53 season is expected to total about 16.6 million running bales. This includes the crop of 13.7 million (13.9 million 500 pound bales), the carryover of 2.7 million and imports of 150 thousand.

WOOL Prices at the opening sales of the Australian 1952-53 auctions were 5 to 10% lower than prices for the closing sales of last season's auctions, but were 15 to 20% higher than the low levels of last March. Prices for domestic wool at Boston declined in mid-September.

TOBACCO Prices for flue-cured tobacco so far this season have averaged slightly above those in the same period of last season. Supplies are a little larger than last year with an increase in the carryover more than offsetting a decline in production.

VEGETABLES Fresh vegetable prices, at the farm and at retail this fall probably will average about the same as a year ago. After running below a year earlier the first 9 months of this year, production this fall is expected to about equal a year ago.

Supply prospects indicate that prices of processed vegetables in the next few months will remain near present levels.

As the harvest of late potatoes reaches the peak this fall, potato prices probably will decline. Seasonal declines also are expected for sweet potatoes this fall. However, prices for both commodities will continue relatively high.

